

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD OCTOBER 3, 2016
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at _____ P.M. by Mayor Fritz Haemmerle. Present were Council members Colleen Teevin, Don Keirn, Pat Cooley, and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

[5:30:12 PM](#) call to order by Mayor Haemmerle

[5:30:37 PM](#) **Motion to approve amended agenda adding items NB 368 and CA 369 made by Burke, seconded by Cooley. Motion passed unanimously.**

Open Session for Public Comments:

No public comments.

CONSENT AGENDA:

*CA 369	<i>Motion to approve Resolution 2016-131, authorizing city officials to sign an Idaho Department of Health and Welfare grant agreement for purchase of a fire service vehicle for \$38,581</i>	
CA 343	Motion to accept Quitclaim Deed from Sprenger Grubb for Woodside Parcel CC, an access lot to Hailey’s Woodside Well	1
CA 344	Motion to approve Resolution 2016-124, authorizing declination of terrorism coverage under Hailey’s ICRMP insurance policy for FY 2016/2017	4
CA 345	Motion to approve Resolution 2016-125, authorizing an agreement with Wood River Fire District for the fire services, in the annual amount of \$84,300 paid by WRFD to City of Hailey	10
CA 346	Motion to authorize the Mayor’s signature on Report of Sale and Application for Certificate of Title for a flatbed trailer to carry the portable generator for the Water Division	18
CA 347	Motion to approve Resolution 2016-126 authorizing contracts with Sluder Construction for snow removal services and equipment	22
CA 348	Motion to approve Resolution 2016-127 authorizing contract with Valley Temp Services for temporary coverage for upcoming clerk’s office employee leave	36
CA 349	Motion to approve Resolution 2016-128 authorizing a lease agreement with Campeau Enterprises, Inc., dba Advanced Towing and Recovery for storing towed vehicles at the wastewater treatment plant	41
CA 350	Motion to approve Resolution 2016-129, authorizing contract with Chase Paymentech to enable the Library to take credit card payment from patrons paying fines	48
CA 351	Motion to approve CrosstoberFest on October 14 th , 2016 from 4:00 p.m-10:00 p.m. and Saturday, October 15 th , 2016 from 10:00 a.m. to 10:00 p.m. at Old Cutters Park	73
CA 352	Motion to approve minutes of September 19, 2016 and to suspend reading of them	82
CA 353	Motion to ratify claims for expenses due in September	89
CA 354	Motion to approve claims for expenses incurred during the month of September, 2016, and claims for expenses due by contract in October 2016	92

5:31:30 PM Burke moved to approve all consent agenda items, seconded by Cooley, motion passed unanimously.

PROCLAMATIONS AND PRESENTATIONS:

PP 355 Presentation of 15-year service awards to LeAnn Gelskey and Dave Shotswell (no documents)

5:32:12 PM Dave Shotswell not present but Mayor Haemmerle congratulates him for his service with the Wastewater department. LeAnn Gelskey Library Director is recognized for her 15 years of service, Mayor Haemmerle congratulates Gelskey with her certificate.

PP 356 Presentation by Street Division - 2016's double chip seal project outcome (no documents)

Miller asked to postpone the chip seal presentation until the next meeting. 5:34:19 PM Roads in Woodside are being done, including Blue Lakes double chip seal and fog seal.

PP 357 Proclamation for Mental Health Awareness Week conducted by the local NAMI chapter..... 110

5:35:32 PM Mayor Haemmerle reads the Proclamation for Mental Health Awareness Week October 2-8, 2016.

5:38:42 PM Burke moves to support this proclamation, Keirn seconds, motion passed unanimously.

5:39:16 PM Tom Hansen current chair of NAMI speaks to council, this is mental awareness week. May is the mental awareness month. Hansen explains the training that is provided to our local emergency responders on how to handle mental illness situations.

Mayor Haemmerle thanked NAMI for what they do in our community.

PUBLIC HEARINGS:

PH 358 Consideration of Resolution 2016-130, authorizing an amendment to the Hailey Comprehensive Plan to update Part 5, Capital Improvement Plan, by replacing Appendix E, the 2012 Capital Development Impact Report with the 2016 TishlerBise report, "Development Impact Fees"

5:43:34 PM Dawson gives an overview of this item. We are required to update this every 5 years. Dawson explains the changes and that Dwayne Guthrie from TishlerBise is present tonight. Turns over the floor to Dwayne Guthrie of TischlerBise. Guthrie reviews the policy framework, including utility connection fees, annexation fees, impact fees and other mechanisms? Proposed methods and fees Guthrie reviews this and explains that we are using the plan-based method. Cost allocation is explained by Guthrie. Guthrie explains that the Police station was removed because we have collected \$60,000 since inception of collecting DIF fees, and we needed 1.8 million.

[5:50:56 PM](#) Keirn asked a question. Dawson answered, yes we are using this money to do work on the Armory facility.

[5:51:37 PM](#) Guthrie explained the current fees. And shows the new fee schedule. Explaining the changes, smaller units are seeing 39% decrease in fees, larger residential slight increases. Reduced the categories.

No Public comments.

[5:54:39 PM](#) Teevin asks a question about low income housing, how is this treated. Dawson answered, it is treated like other developments, tend to be smaller in size.

[5:56:28 PM](#) Cooley asks, is now the time to use the police funds. Dawson replies.

[5:58:14 PM](#) **Motion to authorize Resolution 2016-130 by Keirn, seconded by Burke. Motion passed with roll call vote. Teevin, yes. Keirn, yes. Cooley, yes. Burke, yes.**

PH 359 Consideration of Ordinance amending Chapter 15.16 of the Hailey Municipal Code (Development Impact Fees) to revise the schedule of fees, to amend exemptions and to add an exemption

[5:58:55 PM](#) Williamson explains the fees schedule on pg. 165 of packet. We are now going from service units to square footage, net floor area increase to assess impact fees. On page 161 of packet under exemptions, exemptions are tied to net service area instead of service units. Part I, replacement of a commercial structure. We had an exemption for residences but not commercial buildings until now. Net increase in size is what will be assessed. [6:02:29 PM](#) Williamson has found a numbering problem with the sections, section 9 is a duplicate of section 8. Williamson will make the corrections in numbering.

No public comments.

[6:02:59 PM](#) **Motion to approve Ordinance No. 1204 with numbering amendments mentioned by Williamson; made by Burke, seconded by Keirn, motion passed unanimously.**

[6:03:38 PM](#) **Mayor Haemmerle conducts the 1st Reading of Ordinance No. 1204, by title only.**

PH 360 Consideration of Annexation Fee Report, with Resolution 2016-112 adopting the TischlerBise Annexation Report and setting annexation fees (Continued from 8/15/16 meeting)

[6:05:08 PM](#) Horowitz gave an overview of this update which has been in process for about 1 ½ years with TischlerBise.

[6:06:44 PM](#) Dwayne Guthrie with TischlerBise gives Mayor and Council a presentation overview, including the legislative intent tax supported and de supported municipal services, to

equitably allocate all the costs of the services, also known as fiscal neutrality. Guthrie explained the rationale for deriving annexation fees, including practical needs to derive \$ per development unit for three cost components. Best practices – GASB, cost recovery fees [6:09:47 PM](#) Williamson explains that Idaho statutes 50-222(1) has been recently updated and does not give guidance on this topic. Guthrie explains that residential development is done by type, single family or multi family, operating costs, water rights buy-in and fixed assets and land buy-in. Guthrie explains operating cost factors, focused not on capital costs like the Development Impact Fees are. Guthrie explains the water rights buy-in, converted in cost per gallon. Fixed assets buy-in for buildings fees are explained by Guthrie.

[6:19:11 PM](#) Haemmerle asks a question about land and water valuation. Guthrie responds.

Conversation continues around fixed assets valuation. The depreciated value does not mean it is the value for the asset. [6:24:39 PM](#) Haemmerle asks if the fixed assets are treated differently by anyone else in Guthrie's field. Guthrie replied, no one does it differently.

[6:24:55 PM](#) Jim Phillips asked a question to Guthrie. Guthrie responds. Phillips asks another clarifying question. Guthrie, we extended the time to 2050 year.

Public comments:

[6:27:24 PM](#) Jim Phillips Hailey resident asks a question about capital buy-in. Phillips thinks we are dealing with a comparison between apples and oranges. This is not the fair market value of property. Phillips understands that the property [6:30:17 PM](#) costs you more than the revenue that you received within the year between property being annexed and taxes begin to be collected. Phillips suggests that the council review the old annexation study and this one. You need to understand what the costs will be to provide services. Taxpayers will have to subsidize shortfalls in the annexation fee collection. [6:33:41 PM](#) each annexation is different and has pros and cons. A one size fits all may need to be in the best interest of the city and its tax payers, understand what you are doing before you finalize and adopt this study.

[6:34:41 PM](#) Haemmerle comments regarding annexation fees. Ongoing costs that Phillips referred to are of interest to Haemmerle. Guthrie responds to Haemmerle's question. There is clearly a need to cover the lag time between annexation and collection of property taxes.

[6:38:55 PM](#) Keirn states that we have ability to charge above stated fee? Guthrie responds.

[6:40:05 PM](#) Cooley asked how the one year timeframe was determined. How do we cover costs for development in the period before property taxes are collected.

[6:41:10 PM](#) Jim Phillips states, no one has looked at the ongoing costs during an annexations. Tax revenue does not cover costs of services. Phillips wants the city to have adequate fees to cover costs for services.

Haemmerle comments about tax valuation and revenue. Phillips comments. [6:43:15 PM](#) there is an issue here, if you have annexation fees set, then you need to know what your costs are,

otherwise you are flying blind, states Phillips. Haemmerle comments again, how to you value the cost of residential construction.

[6:45:36 PM](#) Haemmerle asks Guthrie to explain the discussion. Guthrie explains that we selected this approach because the goal was to have a reasonable approach based on sound methodology, instead of a per item valuation.

[6:48:17 PM](#) Burke comments, we still have the power to negotiate.

[6:49:18 PM](#) Teevin wonders will the developer pay for the annexation study. Does it cost the city more money if the developer pays for a study. Horowitz responds, there could be considerable time spent by staff to review annexation studies.

[6:53:29 PM](#) Burke 5 points. We just accepted the study, this annex. Fee and DIF fees covers requirements that help us move forward with annexations. 2, best practices, accepts these. 3. Burke would like the buy-in numbers to be higher valuations.4, fiscal neutrality, when we start this process we are playing fair across the board and will be able to mitigate impacts of future annexations.

[6:57:13 PM](#) Cooley feels that we want our Ordinance to be defensible. Cooley agrees with Burke.

[6:58:51 PM](#) **Motion to approve annexation fee report with Resolution 2016-112, seconded by Keirn. Mayor Haemmerle comments that Bill Hughes submitted public comments which were handed out to council tonight at meeting, motion passed with roll call vote. Teevin, yes. Keirn, yes. Cooley, yes. Burke, yes.**

Mayor moves the airport issues item to the next item for discussion.

PH 363 Airport Issues

[7:01:06 PM](#) Haemmerle asks Chris Pomeroy what are focus points in next FMAA meeting. Pomeroy responds. At end of this year, independent board member position will be open, Pomeroy asks for Hailey council's suggestions on filling this seat (currently filled by Ron Fairfax).

[7:04:00 PM](#) Williamson asks a question, noise abatement committee, runway use program, involuntary program.

[7:05:13 PM](#) Haemmerle reframes Williamson's question, are the noise abatement procedures voluntary or involuntary? Runway use program is also a goal of the committee.

[7:07:51 PM](#) Haemmerle brings up the independent board member. Is there anyone else that wants to run?

PH 361 Consideration of Ordinance amendment to Municipal Code Chapter 14.01 Annexations to amend annexation procedures (Continued from 8/15/16 meeting)

[7:14:20 PM](#) Annexation procedures Williamson gave an overview of this item, this ordinance needs revising because of the studies adopted tonight. Changes include, administration in place of “city clerk.” Page 193, council retains the right to ensure the proposed annexation will not have a negative fiscal impact on City of Hailey or its citizens. [7:16:09 PM](#) Williamson suggests that we review this in 5 years.

Public Comments:

[7:17:08 PM](#) Jim Phillips comments, council “may” require the applicant to provide a fiscal study at their expense, suggests council include this language. Secondly, you should do an update on the 2002 study TischlerBise study before getting too far along.

[7:19:44 PM](#) Williamson responds

[7:20:20 PM](#) Burke makes a suggestion.

[7:20:40 PM](#) Haemmerle looks at 14.01.090 section b., being the devil’s advocate. per Phillips suggestion, can we change the stricken language and change “shall” to “may?”

Discussion ensued about the proposed language around fiscal analysis.

[7:28:12 PM](#) Teevin wants to make sure the applicant is not the trigger for getting their own fiscal analysis.

[7:30:30 PM](#) Haemmerle summarizes what we could ask for, a supplemental study, not a redo of this study.

Further discussion around the meaning of the language as proposed.

[7:32:49 PM](#) **Burke moves to adopt Ordinance No. 1205 authorize Mayor to conduct 1st reading by title only, Keirn seconded, passed with roll call vote. Burke, yes. Cooley, yes. Keirn, yes. Teevin, yes.**

Haemmerle conducts the 1st Reading of Ordinance No. 1205, by title only.

PH 362 Prioritization of Pathways for People (levy) projects

[7:34:43 PM](#) Mariel Miller gave an overview of this item. There is a need to prioritize these projects to do these items over a couple of years. In September in the utility bills, we sent out a survey asking people to rank the various projects. Miller gives prioritization responses, of the survey, E. Bullion ranked 1st. Miller presented options for council to consider. Miller makes suggestions for next steps. Once engineer is selected, want to discuss projects and estimated costs. Possibly bid 2 projects at one time to see some cost savings.

Miller asks for council's feedback.

[7:44:38 PM](#) Cooley asks a question. Miller responds.

[7:45:52 PM](#) Burke feels Bullion is higher need, money well spent, as she sees the traffic go by her house.

[7:46:34 PM](#) Public comments Bob Macleod voted for higher rank (not myrtle). Can you get a guarantee the quality of the concrete? Miller responded the Myrtle section plan material is asphalt not concrete.

[7:51:02 PM](#) Burke ranks in the following order, E. Bullion 1st, East Myrtle, 2nd ave, skate park, 5 Croy st.

[7:51:31 PM](#) Cooley ranks, 2nd ave 1st, 2 bike path connection to 1st Ave. Werthheimer Park, 3 Croy and Bullion a toss up.

Keirn ranks in the following order: 2nd Ave, East Croy, Werthheimer [7:53:17 PM](#), Bullion 4th and E. Myrtle 5th.

[7:53:27 PM](#) Teevin ranks the projects in the following order, East Croy, Werthheimer, 2nd Ave., and then Myrtle St.

[7:54:35 PM](#) Haemmerle ranks in the following order: Myrtle, Croy, Werthheimer, and then 2nd Ave.

Miller explains that we have a reserve grant match for the myrtle street project
Then after cost estimates do either bullion or croy
Then do Werthheimer connection in the next year

NEW BUSINESS:

NB 364 Snow storage lease in Airport West and discussion to apply for a Conditional Use Permit

[7:57:24 PM](#) We are looking for a permanent snow storage site, reported Miller. This is a temporary solution. Lions Park snow storage area was an issue this spring with the melt water, it did impact service to the park area for about 6 weeks. Want to find a temporary storage solution at wood river clinic to help alleviate snow melt issues while we find a more permanent snow storage area.

Miller gave the mayor and council a handout showing an Arial view of the property.

[8:01:16 PM](#) **Burke makes motion to authorize CUP application for snow storage in Airport West, seconded by Keirn, motion passed unanimously.**

NB 368 Motion to authorize Mayor to sign Conditional Use Permit Application for the Hailey Police Department use of the Idaho National Guard Armory

8:01:41 PM Burke moves to approve, seconded by Cooley, motion passed unanimously.

OLD BUSINESS:

OB 365 2nd Reading of Ordinance No. 1198 amendment to Title 18, Mobility Design, Section 18.14.014; Exemptions, to clarify exemptions for construction and reconstruction projects, and Section 18.04.016

8:02:03 PM Mayor Haemmerle conducts the 2nd reading of Ordinance No. 1198, by title only.

STAFF REPORTS:

8:02:54 PM Miller reports that when the hydro turbine was originally installed, the collection issues went away after 5 days and it is generating more energy than was anticipated.

No Executive Session is needed tonight.

8:03:53 PM Burke moves to adjourn meeting, Keirn seconds, motion passed unanimously.